Annual growth in total wages slows in December 2024

Media Release

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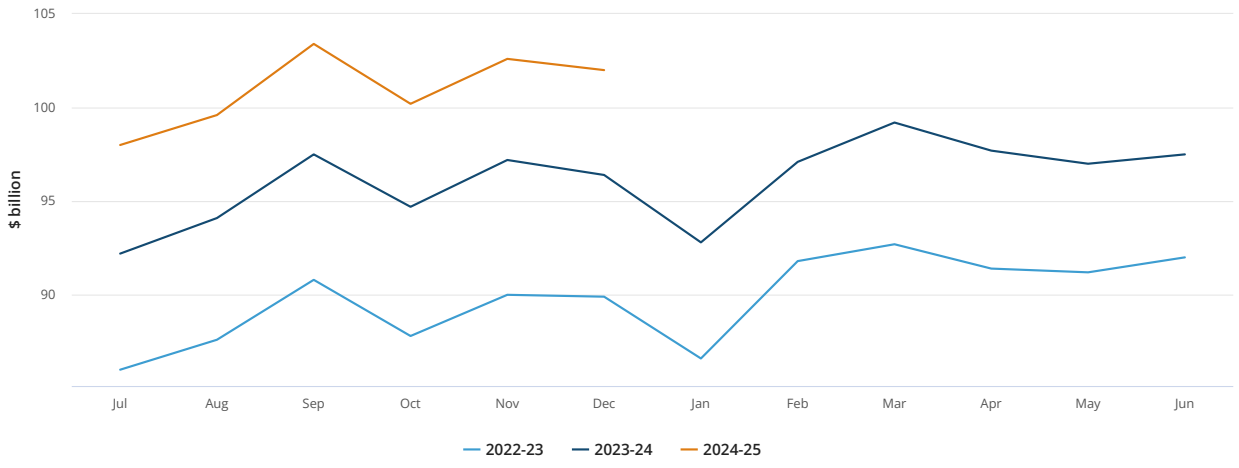
Source:
Monthly Employee Earnings Indicator, December 2024 (/statistics/labour/earnings-and-working-conditions/monthly-employee-earnings-indicator/dec-2024)

Total wages and salaries paid by employers was $102.0 billion in December 2024, up 5.7 per cent from $96.4 billion in December 2023, according to figures released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "Total wages and salaries in Australia rose by 5.7 per cent between December 2023 and December 2024. This was slower than the growth of 7.3 per cent in December 2023, which reflects the relatively weaker labour market conditions during 2024."

"As an aggregate measure of total wages and salaries, the Monthly Employee Earnings Indicator captures all of the compositional changes in the labour market. This includes changes in employment, hours employees were paid for, pay rises and periodic payments. It complements but is different to the measure of underlying wage growth reported in the Wage Price Index. (https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release) "

Total wages and salaries paid by employers, original



Total wages and salaries paid by employers fell 0.7 per cent (-$687 million) from November to December 2024. This followed a similar pattern to 2023, when they fell by 0.8 per cent (-$758 million) between November and December.

December quarter growth also slower in 2024

“As well as slower annual growth in total wages and salaries, this data also shows that quarterly growth in the December quarter was slightly slower than a year ago – 1.3 per cent between the September and December quarters of 2024, compared with 1.6 per cent between those quarters in 2023,” Mr Jarvis said.

These monthly statistics are still relatively new and are based on data reported by employers through Single Touch Payroll to the Australian Taxation Office.

“In future, we will be able to use the Monthly Employee Earnings Indicator statistics to produce seasonally adjusted figures,” Mr Jarvis said.

“Until we have a long enough series to be able produce seasonally adjusted figures, comparing estimates over a longer period like a year or a quarter can help give a clearer view of underlying growth in total wages and salaries.”

Western Australia sees largest fall in annual growth

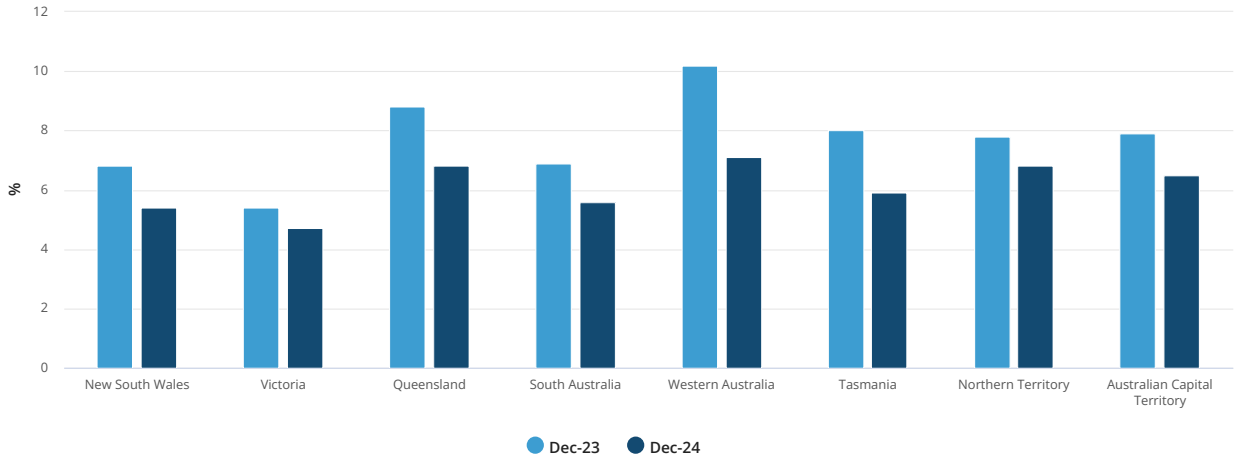
Total wages and salaries paid by employers fell in all states and territories, except for Tasmania, between November and December 2024, ranging between -2.0 per cent to -0.1 per cent. In Tasmania, wages and salaries grew by 2.0 per cent in the month, broadly following the seasonal pattern seen in the previous two years.

Annual growth to December 2024 was slower than a year earlier in all states and territories.

“The slowing in annual growth was most pronounced in Western Australia, reflecting the reduction in total wages and salaries growth within the Mining industry between December 2023 and December 2024,” Mr Jarvis said.

“Wages and salaries in Mining accounted for around 15 per cent of wages and salaries paid in Western Australia in December 2024.”

Annual change in total wages and salaries paid by employers, by state and territory



Seasonal fall in 12 of 19 industries

The $687m fall in total wages and salaries between November and December 2024 reflected falls in 12 of 19 industries (totalling $1.2 billion) and rises in 7 industries ($499 million).

December is a particularly seasonal time of the year in the labour market, with many businesses either increasing or decreasing activity around the start of the holiday season, coupled with the payment of some cyclical bonuses.

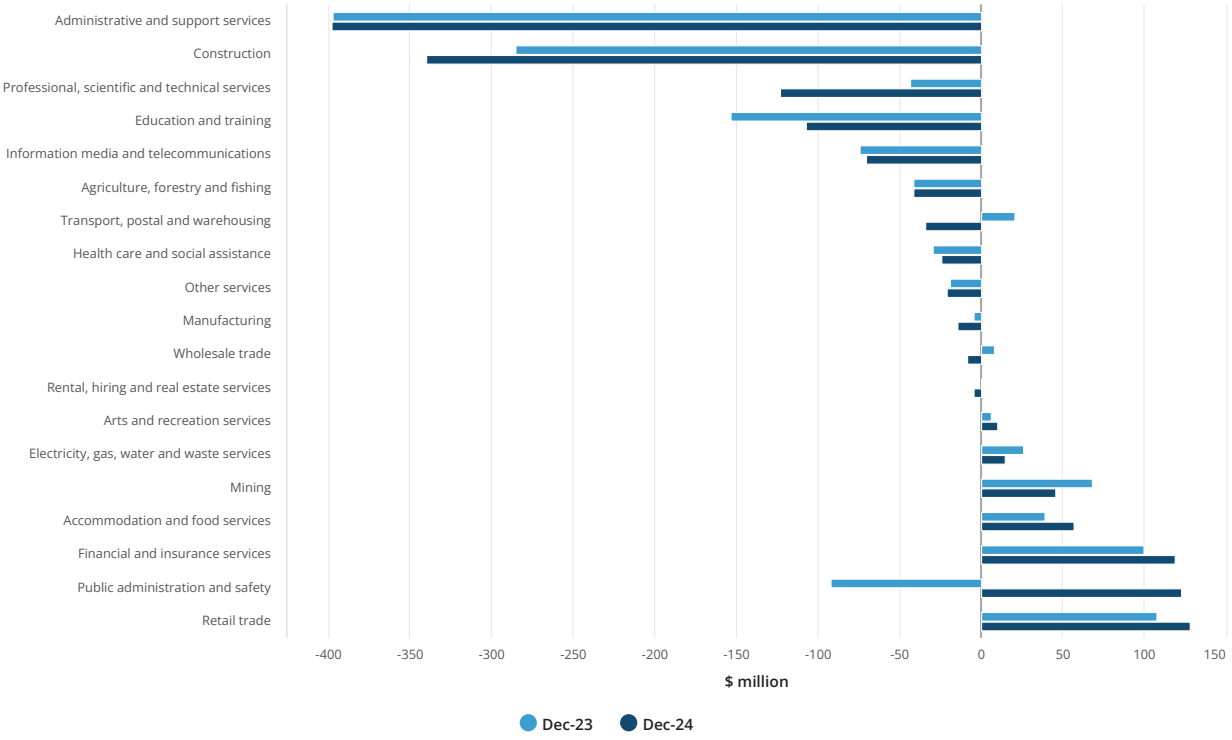
As in 2023, the Administration and support services and Construction industries reported the largest decreases in the month to December 2024.

The Retail trade industry again saw the strongest monthly rise in total wages and salaries in December, up by $128 million (+2.1 per cent). This seasonal growth was similar to the previous two years.

While most of the monthly changes followed a similar seasonal pattern to that seen in December 2023, this monthly data also captures the timing of pay rises and other changes in payment arrangements in particular industries.

For example, a recent pay rise and backpay for nearly a quarter of NSW state government employees (https://www.nsw.gov.au/media-releases/government-and-public-sector-workers-reach-agreement) in December 2024 drove the rise in total wages and salaries in the Public administration and safety industry. The same event also reduced the seasonal fall in the Education and training industry in December 2024.

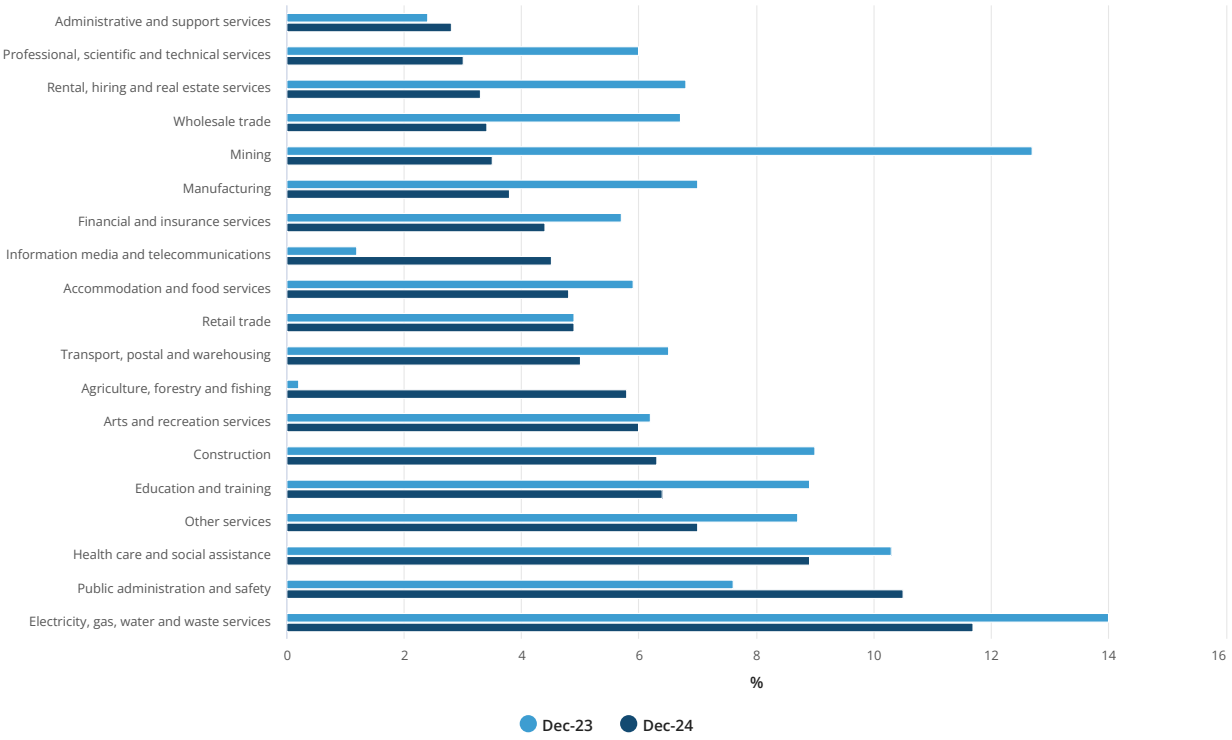
Month change in total wages and salaries paid by employers, by industry (a)



a. Industries are ranked by ascending month change in December 2024.

In annual terms, total wages and salaries were higher in all 19 industries, ranging between 2.8 per cent growth in Administrative and support services and 11.7 per cent in Electricity, gas, water and waste services in December 2024.

Annual change in total wages and salaries paid by employers, by industry



Industries ranked by ascending annual change to December 2024.

Media notes

- Wages and salaries paid by employers are not seasonally adjusted, which generally requires at least three years of reasonably stable data. The longstanding seasonally adjusted Labour Force statistics series can aid in the interpretation of labour statistics across periods of greater seasonality.
- All estimates in the release are calendar-adjusted, enabling the comparisons of monthly data until there is sufficient data to produce seasonally adjusted series.
- The changes in total wages and salaries paid by employers is not an indication of the underlying wage change as reported in the ABS' Wage Price Index (https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release) .
- To learn more about our different labour measures, their purpose and how to use them, see our new guide to Labour statistics (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics) . () It provides summary information on labour market topics including Industry employment (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) and Earnings data (https://www.abs.gov.au/statistics/understanding-statistics/guide-labour-statistics/earnings-guide) .
- The ABS acknowledges the continued support of the ATO in enabling the ABS to produce insights into the Australian labour market from Single Touch Payroll data.
- When reporting ABS data, the Australian Bureau of Statistics (ABS) must be attributed as the source.

- Access official, high-resolution images of ABS media spokespeople, including Bjorn Jarvis, from our new image library (https://www.abs.gov.au/media-centre/abs-image-library) .
- For media requests and interviews, contact the ABS Media Team on 1300 175 070 or media@abs.gov.au (mailto:media@abs.gov.au) (9am to 5pm Monday to Friday AEST).
- Watch our data crash course (https://www.youtube.com/watch?v=Ie2K3PNejU4) , designed especially for journalists to learn how to find, download and interpret our data
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